

File: S238057
cc: Tom
Deron
Beth
RECEIVED PO Box 38054
Leamington, UT 84638
JAN 16 2007 Jan 12, 2007

Darren Haddock
Permit Supervisor
DOGM
SLC, UT 84114-5801

DIV. OF OIL, GAS & MINING

Dear Mr. Haddock:

Mark Johnson has been in chemo, so it has been awhile getting the more detailed estimate (enclosed) that you said was required in our phone conversation of 12/5/06.

Regarding your letter of 12/20/06, your total acreage disturbance identified in our NOI's as 5 acres is in error. We never filed NOI's for anything near that amount of acreage. Enclosed are copies of our Plans, NOI's or Letters of Intent. As you can see, the acreages are 0.1 (ML46956) + 0.5 (ML47821) + 0.25 (Cubical #2) = 0.85 acre total. If we were to amend these "NOI's" as you suggest, we would have the following: ML46956 would drop to 0.05 from 0.1 acre based on our current rearrangement of rubble, ML47821 would remain 0.5 acre even though our current disturbance is 0.43 acre and Cubical #2 would amend to 0.25 from 0.1 acre in the original BLM Notice (enclosed). The amended total would then be 0.80 acre. Copies and maps of "amended NOI's" are enclosed.

To expedite our bonding, we would be willing to accept our currently posted bond of \$4,164.36 which is above Mark Johnson's estimate. Most of the discrepancy between your \$5,400 bond request and Mark's lower estimate is due to your automatic mobilization charge of \$2,000. Mark charges \$100/hr for the trip out and that part of the trip back not on blacktop. Even if Mark charged \$100/hr for the entire round trip, \$2,000 would pay for 20 hours transport time which is way more than needed to go from Delta to our sites in the Thomas Range, some 50-60 miles out. (Our three sites are within a 6-mile radius or $\frac{1}{2}$ to 1 hour apart.) Other operators charge \$2.50 per loaded mile. At that rate, \$2,000 would buy 800 miles transport (400 miles each way). Also, our experience with operators is that for work not too far away, they often waive the transport charge entirely or charge for one way only for larger jobs of one day or more. The state could easily find these lower bidders through advertised competitive bidding.

Although we understand why the state wants ample bonding to cover reclamation, excessive bonding is not fair and further discourages small mining beyond the usual impediments. Excessive bonding is punitive to small mining which is already in decline.

Sincerely,

Mike Sprunger

Sandra Sprunger

Mike Sprunger
Sandra Sprunger

Done
1/6/07

This is our original plan filed with BLM.

A 3 acre prior claimant disturbance was noted along with our plan for a 0.1 acre new disturbance.

Our subsequent plans and work upped our disturbance to 0.25 acre (BLM worksheet attached). We never filed a plan for 3 1/2 acres as your letter of 1/20/06 states. Hence we do not see why it is necessary to amend from 3 1/2 to 0.25 acre when we were right with the BLM for 0.25 acre to begin with.

Amend this plan from 0.1 to 0.25 acre. We will continue work in our present disturbance. Map Access Routes (Existing and Proposed)

1991 Cubical 1-B

Map attached.

No new routes required.

Existing Disturbance and Structures

About 3 acre prior disturbance (documented by BLM 1/18/90).

Proposed Operations

Clean out parts and clear off (expand) margins of existing holes with backhoe for later work with hand tools + explosives. Topsoil will be stockpiled when available. New disturbance about .1 acre

Proposed Completion Date

Part of ongoing work.

Proposed Reclamation: Describe the proposed reclamation procedures and other measures to be taken to prevent unnecessary or undue degradation of the lands, including measures to be taken if a period of non-operation is anticipated.

Cover new excavations using topsoil where required.

I hereby declare that I, or persons I have authorized to do so, will complete all necessary reclamation of areas disturbed during the course of my operations to the standards described in 43 CFR 3809.1-3(d) and that reasonable measures will be taken to prevent unnecessary or undue degradation of the federal lands during operations.

Mike Sprueng

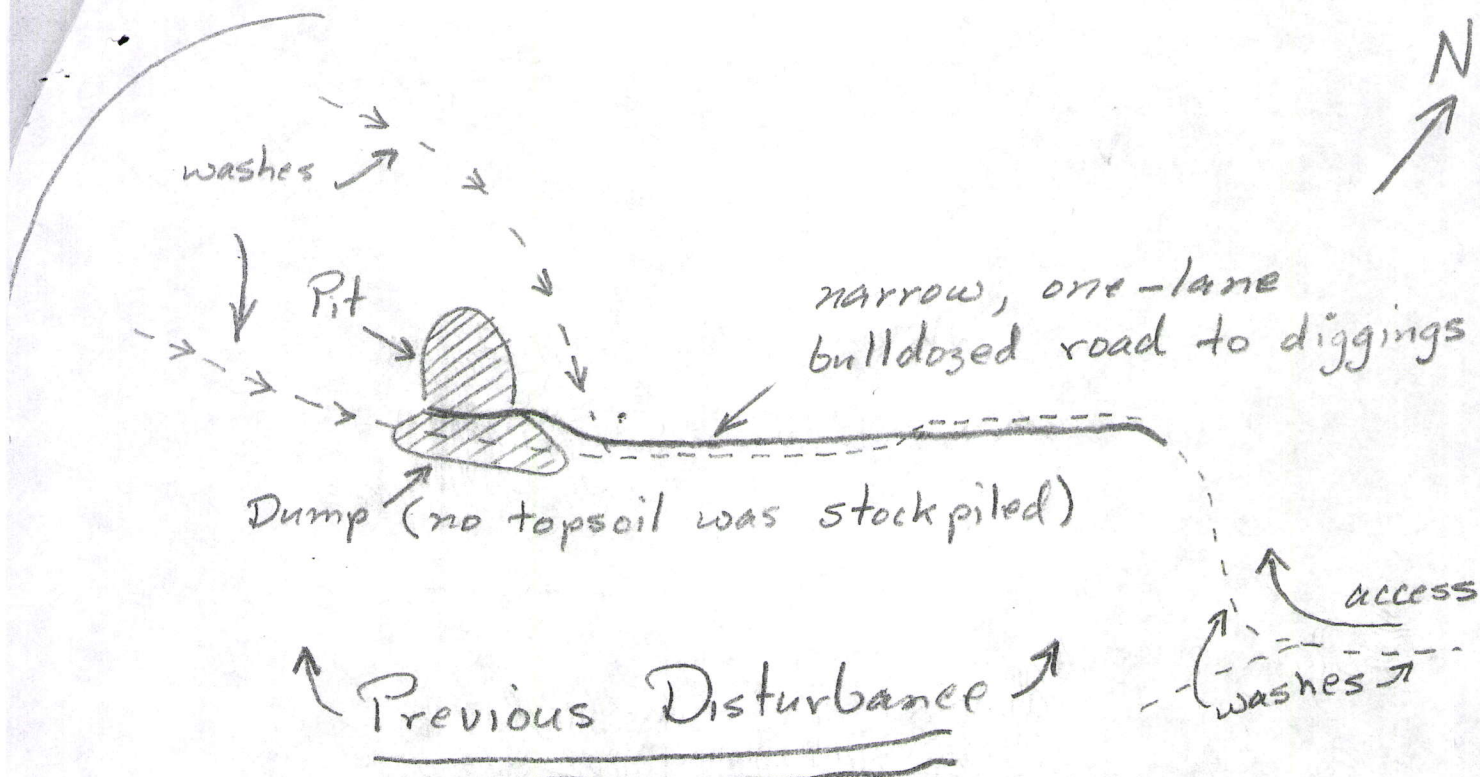
Signature of Claimant or Operator

9/13/91

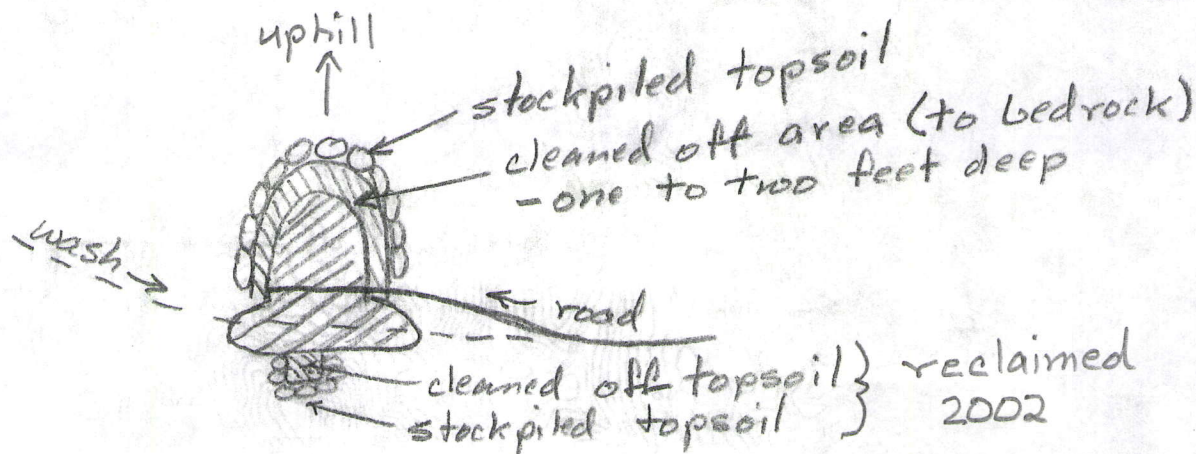
Date

Notice to Claimants/Operators:

1. A notice submitted in relation to the 43 CFR 3809 regulations does not require approval from the BLM. However, notification of such activities shall be made at least 15 days before commencing operations. Approval of a submitted plan of operations is required from the BLM prior to commencing operations. The BLM will promptly acknowledge receipt of a plan and will notify the claimant/operator of the status of the plan within 30 days of receipt.
2. Approval of a plan of operations does not constitute certification of ownership to any person named as claimant/operator herein, nor does approval constitute recognition of the validity of any mining claims named herein.
3. Information and data submitted and specifically identified by the operator as containing trade secrets or confidential or privileged commercial or financial information should be attached to a separate page and cited in the text of the notice or plan of operations. This information will be filed separately by the BLM and will not be available for public inspection.
4. Failure of an operator to file a notice under 3809.1-3 or a plan of operations under 3809.1-4 will subject the operator, at the discretion of the authorized officer, to being served a notice of non-compliance or enjoined from the continuation of such operations by a court order until such time



(Prior to our obtaining claims & documented by BLM 1/18/90)



Our Disturbance (in relation to old pit and dump)

Cubical Claims
8/25/92

Prior Disturbance ////
Our Disturbance ///

Scale: 1" = 200' (approx.)

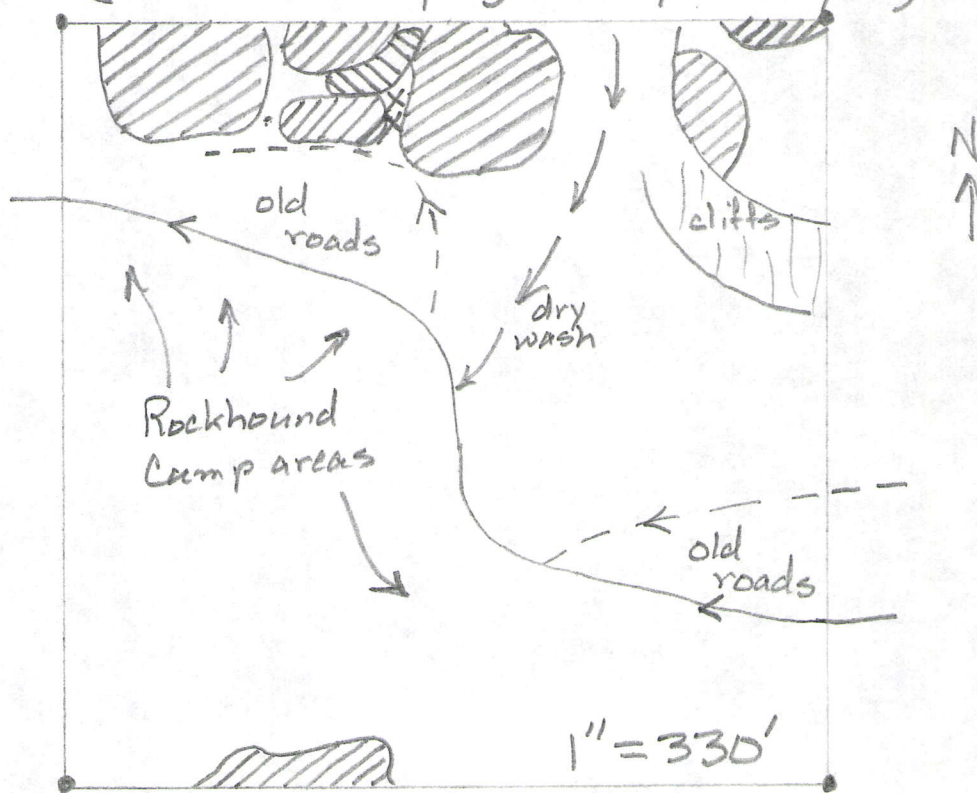
BLM Fi'' nore Office 1/11/04 1/12/04



**Reclamation Cost Model
For Existing Notice Level Operations**

Dozer Work				Earthwork
	Acres		Cost/Acre	
Light	0	Recontouring Cost	\$ 330.00	\$0.00
Moderate	0.25	Recontouring Cost	\$ 990.00	\$247.50
Heavy	0	Recontouring Cost	\$1,485.00	\$0.00
Excavator Work				
Roads with the side Slope,	Linear Feet		Cost/Linear Foot	
<30%	0	Recontouring Cost	\$ 1.50	\$0.00
>30%	0	Recontouring Cost	\$ 2.40	\$0.00
Areas of non-road disturbance where the use of dozer wouldn't be adequate.	Acres		Cost /Acre	
<30%	0	Recontouring Cost	\$4,665.00	\$0.00
>30%	0	Recontouring Cost	\$7,465.00	\$0.00
Revegetation				Revegetation
Non-Road disturbances with machine spreader	Acres		Cost/Acre	
	0	Revegetation Cost	\$ 600.00	\$0.00
Non-Road disturbances with manual spreading	0.25	Revegetation Cost	\$150.00	\$37.50
Road disturbances with machine spreader	Linear Feet		Cost/Linear Foot	
	0	Revegetation Cost	\$ 0.20	\$0.00
Road disturbances with manual spreader	0	Revegetation Cost	\$0.05	\$0.00
Mobilization				Mobilization
	No. Pieces of equipment		Cost/Piece	
	1	Mobilization Cost	\$ 500.00	\$500.00
Total Labor Cost	\$ 339.88	Total Operating and Maintanance (O&M) Cost		\$785.00
		Contractor's Profit	10% O&M Cost	\$78.50
		Estimated Contract		\$863.50
		Contingency	10% O&M Cost	\$78.50
		Total Estimated Contract and Contingency		\$942.00
Administrative Fees				
		Contract Administratio	16% O&M Cost	\$125.60
		Indirect Costs	21% Administrative Cost	\$26.38
		Engineering/Design	2% O&M Cost	\$15.70
		*Insurance	1.5% Labor Cost	\$0.00
		*Bond Maintenance	3% Rec. Cost	\$0.00
* Only Administered if Estimated Contract Costs over \$100,000.				
		Total Administative Cost		\$167.68
		Bond Amount		\$1,109.68

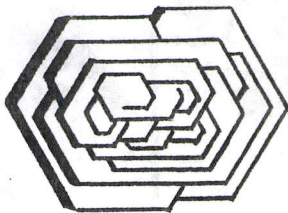
Amended Notice of Intent for ML4 736 (done 1/6/07)

(Site Plan Showing Old Workings (rubble) and New Workings on NW $\frac{1}{4}$ NW $\frac{1}{4}$ Sec 16, T.13S, R.11W, SLBM)
(Center of Topaz Valley = "Topaz Mountain")



-  = old workings (rubble) - rockhound.
-  = our workings (rubble) along and under old workings. About 25' x 60'
- xx = possible test prospects

Amend original 0.1 acre planned disturbance down to 0.05 acre. Our current work is 25' x 60' or under 0.04 acre. There is no topsoil or vegetation. Rockhounds constantly redistribute and break up rubble. "Reclamation" is questionable.



SPRUNGER'S MINERALS

P.O. BOX 38054
LEAMINGTON, UT 84638
(801) 857-2572

April 23, 1995

William M. Stokes
Utah School and Institutional
Trust Lands Administration
355 West North Temple
3 Triad center, Suite 400
Salt Lake City, UT 84180-1204

RE: ML46956

Dear Mr. Stokes:

I am returning your letter with the following comments per your request in our phone conversation of 4/21/95:

- 1) Please allow a 3-week extension of the deadline for executing the lease.
- 2) We think that for now with the type of work we will be doing 0.1 acre will cover our (new) disturbances for reclamation bonding purposes. (This would be an area 10' X 436'.)
- 3) We understand that bond is held for reclamation of our disturbances only, not for reclamation of pre-existing disturbances or for making pre-existing disturbances safer. We also understand that bond is not held to cover defaulted rents and minimum royalties (\$240.00/year) should we decide to drop the lease within the primary term.

I am enclosing a copy of my comments on a recent BLM minimum bonding proposal for your interest. (The proposal was later withdrawn.) I'm also enclosing a statement from Larry Lehto verifying our existing topaz stock. (I had Larry verify my stock because at the time it looked like mining claims would become leases with rents & royalties.) You may also verify my stock before I do anything with ML46956.

Finally, would the state object to a sign something like:

UTAH STATE PROPERTY
NO BLASTING OR POWER EQUIPMENT
DIG AT YOUR OWN RISK

Sincerely,

Mike Sprunger



State of Utah

School and Institutional
TRUST LANDS ADMINISTRATION

Michael O. Leavitt
Governor

Scott Hirschi
Director

355 West North Temple
3 Triad Center, Suite 400
Salt Lake City, Utah 84180-1204
801-538-5508
801-355-0922 (Fax)

May 1, 1995

Sprunger's Minerals
P.O. Box 38054
Leamington, Utah 84638

RE: ML 46956--Gemstone/Fossil

Dear Mr. Sprunger:

The School and Institutional Trust Land Administration ("SITLA") is in receipt of your letter dated April 23, 1995.

As per your request SITLA will allow for an additional 30 day extension beyond the original 30 days in which you are required to sign and return the above referenced lease.

You have assured SITLA that **only 0.1 acres of disturbance** will occur as a result of gemstone collecting from the leased premises. You are therefore required to submit a \$ 500.00 bond before commencement of any collecting or mining activity in the leased premises. SITLA recognizes that the leased premises has a long history as a prime location for the collection of Topaz. SITLA also recognizes that monitoring surface disturbance which is the results of casual collecting is next to impossible. We have documented the present surface condition of the leased premises and have identified the location of prior disturbances. Should you commence removal of material from previously mined areas or removal of material from unexcavated areas, SITLA would appreciate your cooperation in making these areas as safe as possible. Should your mining activity exceed your proposed one tenth of an acre you will be required to post additional bonding to cover the additional disturbance.

Under SITLA rule R850-20-2800 paragraph 4, "All bonds posted on mineral leases may be used for payment of all monies, rentals, royalties, due the state as lessor;...". I have enclosed a copy of rule R850-20-2800 for your reference.

SITLA does not object to posting a sign on the lease premises which identifies the property as Utah State land and prohibits the use of explosives and power tools.

Sincerely,

William M. Stokes
Minerals Resource Specialist

